

HOUSE BILL REPORT

ESHB 2545

As Passed House:
February 9, 2012

Title: An act relating to fuel usage by local governments.

Brief Description: Including compressed natural gas, liquefied natural gas, or propane in fuel usage requirements for local governments.

Sponsors: House Committee on Technology, Energy & Communications (originally sponsored by Representatives Zeiger, Ladenburg, Dammeier, Seaquist, Angel, Dahlquist, Wilcox, Jinkins, McCune and Kelley).

Brief History:

Committee Activity:

Technology, Energy & Communications: 1/25/12, 1/27/12 [DPS].

Floor Activity:

Passed House: 2/9/12, 97-0.

Brief Summary of Engrossed Substitute Bill

- Allows local governments and state agencies to substitute compressed natural gas, liquefied natural gas, and propane for electricity or biofuel in satisfying their fuel usage requirements, if the Department of Commerce determines that electricity and biofuel are not reasonably available.
- Exempts transit agencies using compressed natural gas on June 1, 2018, from the electricity and biofuel usage requirements.

HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives McCoy, Chair; Eddy, Vice Chair; Crouse, Ranking Minority Member; Short, Assistant Ranking Minority Member; Anderson, Billig, Carlyle, Dahlquist, Haler, Harris, Hasegawa, Kelley, McCune, Morris, Nealey and Wylie.

Minority Report: Do not pass. Signed by 1 member: Representative Liias.

Staff: Scott Richards (786-7156).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background:

In 2007 the Legislature enacted alternative fuel usage requirements for state and local governments. These requirements specify that by 2015, all state agencies and local governments, to the extent practicable as determined by the Department of Commerce (Department), must satisfy 100 percent of their fuel needs for all vessels, vehicles, and construction equipment using electricity or biofuel.

In 2009 an interim alternative fuel usage requirement was adopted for state agencies. By June 1, 2015, state agencies, to the extent practicable as determined by the Department, must achieve 40 percent fuel usage from electricity or biofuel for publicly owned vessels, vehicles, and construction equipment. In 2011 legislation was enacted that granted local government subdivisions three additional years to comply with the requirement.

By June 1, 2015, the Department must adopt rules to define practicability and clarify how local government will be evaluated to determine whether they have met associated goals. In developing state and local government compliance rules, the Department must at least consider the following factors: (1) the regional availability of fuels; (2) vehicle costs; (3) differences between types of vehicles, vessels, or equipment; (4) the cost of program implementation; and (5) cost differentials in different parts of the state. Also, the Department must develop a schedule for phased-in progress towards meeting the goal and that may include different schedules for different fuel applications or different quantities of biofuel.

Summary of Engrossed Substitute Bill:

Local governments and state agencies in satisfying their fuel usage requirements may substitute compressed natural gas, liquefied natural gas, and propane for electricity or biofuel, if the Department of Commerce determines that electricity and biofuel are not reasonably available.

Transit agencies using compressed natural gas on June 1, 2018, are exempt from fuel usage requirements.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill allows local governments the flexibility to use CNG under the fuel usage requirements. This bill is good on its own merits and for Pierce Transit who uses CNG to fuel its buses. Pierce Transit began operating with CNG in 1986 and it has seen significant environmental results from the use of CNG, such as a 20 percent reduction in greenhouse gas emissions and an 80 percent reduction of smog. Without this bill, Pierce Transit would have to abandon its CNG vehicles, resulting in a costly transition to build an infrastructure to

support other fuels. Pierce Transit would have to return American Recovery and Reinvestment Act funding for the installation of CNG fueling stations. The bill gives local jurisdictions more fuel options that may keep the price of providing services lower. The technology to supply CNG has been around for decades and the supply infrastructure is expansive.

(Opposed) The original legislation's purpose was about encouraging non-fossil fuel use in Washington, especially for publicly owned vehicles. There may be support for an amendment that would only allow transit agencies using CNG on the effective date to continue to use CNG. If CNG is included in this bill, then propane should be added as well.

Persons Testifying: (In support) Brianna Taylor and Al Ralston, Pierce Transit; Collins Sprague, AVISTA Corporation; and Ken Johnson, Puget Sound Energy.

(Opposed) Miguel Perez-Gibson, Climate Solutions; and James Curry, Pacific Propane Gas Association.

Persons Signed In To Testify But Not Testifying: None.